

SOCIALIST STUDIES

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**OFFICIAL JOURNAL OF
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OF GREAT BRITAIN**

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THE SOCIALIST PARTY OF GREAT BRITAIN

OBJECT

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...
The Socialist Party of Great Britain,
71 Ashbourne Court, Woodside Park Road, London N12 8SB

TONGUES NOT STILLED

In a recent interview in *The Architect's Journal*, the American architect, Peter Eisenman, likened the political world at the end of the twentieth century to the beginning of Charlemagne's Holy Roman Empire. For then, as far as the historical eye could see, there was a triumphant feudal order with no visible sign of change. So, Eisenman believes, it is the case today with capitalism.

The poisonous "End of History" rhetoric of a triumphant western capitalism flows out from the university, the media and the political rostrum falsely proclaiming that there is no alternative to the market, to the buying and selling of commodities, to competition and to employment. The revolutionary politics of Marx, so it is claimed, lies buried under the rubble of the Berlin Wall. Socialism is a word which now evokes fear and disinterestedness. And who will admit to being a Socialist? In such a climate how can socialist ideas be argued and explained?

It seems we are living through a period of deep social and political conservatism. Revolutionary political activity is low. Socialists are thin on the ground. The difficulty in propagating revolutionary socialist ideas appears more so in a world that celebrates trivia and the shallowness of commercial sport, soap operas and game shows. Are the working class cut out for Socialism? Why go on in the face of so much apathy and hostility? Such mistaken questions have led many into the cul-de-sac of a corrosive and negative pessimism. Capitalism is seen as a perpetual winter in which hope has given way to despair.

A contributory factor to this moribund pessimism has been the retreat of the 1960's and 1970's Utopian politics where student demonstrations and sit-ins were erroneously seen as the political dynamism for social change. Direct action in all its forms has proved futile. Most of the student leaders now have

comfortable jobs in the media and in academia defending capitalism, either from the perspectives of social reform or social reaction. With teenagers of their own, the students of those two decades can no longer chant out "*Have nothing to do with people over 30*". Who now reads Herbert Marcuse's essay "*Liberation*" with its thesis that students and peasants, not the working class, would be the agents of social change? Direct action politics has been forced off the streets and out of the Left Wing bookshops once found in every major town, back into university departments. Dissent for these "revolutionaries" is now the obscure thesis, the obligatory book, the lecture theatre, the seminar and the transatlantic conference. Rather than making history they have become footnotes in other academics' writings. Their doctorates are left unread in university vaults "*to the gnawing criticism of the mice*".

Are all tongues still? Is the only political gesture the antics of a Mark Thomas, the political childishness of a Friday Night Armistice Show or the inipotent satire of a Private Eye? Is political dissent now only the two fingers of cynicism and ridicule?

There is dissent; there is a revolutionary refusal to accept capitalism as a social system which is destined to go on forever in which the working class is forever chained to capital. There are no perpetual winters. The Roman state crucified the defeated slaves led by Spartacus to signify their superiority and power. Slaves they were and slaves they would ever be. After Richard II crushed the Peasants' Revolt in 1381, the defeated peasants were told that they were born peasants, they are peasants and they will remain peasants for evermore. Yet, slave society gave way to feudal society which gave way to capitalism. Nothing stands still. "*All that is solid melts into air*", Marx was to write in *The Communist Manifesto*. No social system lasts forever and this is true of capitalism as it was for those social systems that preceded it.

The tongues of Socialists are not stilled. We know that the establishment of Socialism is not going to be easy and that there is no quick solution of

easy route. But this is no excuse for abandoning the struggle for Socialism. It is easy to retreat. But once an understanding of the Socialist case is known surrender is not an option.

The class struggle, Marx wrote, "*is the motor force of history*". It may be a struggle but it is a struggle which nevertheless can be won by a Socialist majority. The capitalist class and their agents cling on with stubborn resistance to their power and privilege. Their current euphoria, though, is misplaced. They might control the media but they cannot control the contradictions and conflicts within society. They cannot solve the pressing social problems facing the working class. They cannot prevent a socialist majority gaining control of the machinery of government. And they cannot stamp out Socialist ideas when commodity production and exchange creates all the conditions necessary for the establishment of Socialism.

Yes, the class struggle is a struggle. But it is a struggle workers can and will win. And in that struggle there is no room for pessimism, cynicism and despair.

CAPITALIST MYTHS: INFINITE DEMAND AND LIMITED RESOURCES

A recent correspondent to the **Independent** (8 January 1999) commented on the demands made for health provision, housing and food. He asserted that society suffers from the fundamental problem of production and distribution, namely infinite demand and limited resources.

The false assumption that there is an infinite demand but only limited resources is a basic axiom underpinning capitalist economics and falsely justifying the institution of private property ownership, markets and employment. It is an assumption uncritically taught to economic students. It is found in all

economic textbooks through the telling of the Robinson Crusoe myth that Marx ridicules in *Capital*. So important is this assumption that without it academic economics cannot get off the ground. It would be like taking God away from theologians. There would be nothing to say, no sin and evil, no heaven and hell, no virgin birth, and no resurrection.

What, though, is infinite demand? It is a fiction. It is an incoherent statement with no factual basis in the real world. Where is the evidence we have infinite demands? It is not just human knowledge and the level of technology which curtail what can and cannot be produced and distributed. Demand is always contingent on the forces of production and the social system in which demand takes place. Always and everywhere demand is finite. What is the demand for an infinite amount of bread, toothpaste or pane of glass? Put this way the phrase "*infinite demand*" is meaningless.

The pretension of academic economics to the status of science is burst once the assumption of infinite demand is questioned and refuted. Instead, academic economics can be replaced by a better definition of economics. Such a definition would study production and distribution as bound by transient social systems, within the forces of production, in historical terms. The isolated and autonomous individual would not be the starting point for a study of social systems but, instead, social relations. A scientific approach would also look at the implications for those who own the means of production and for those who do not. The question would also be asked about the purpose of production. Is it to meet social needs or is it for the anti-social purpose of making profits and the accumulation of capital?

In short, Marxian economics would focus attention on commodity production and exchange for profit in which workers' mental and physical ability to work has also become a commodity to be bought and sold, employed and unemployed, and exploited through the labour market for a wage or a salary. The shift in focus away from the myths of academic economists allows

capitalism to be contrasted with Socialism. It places economics within a historical context where the motor force of change is the class struggle.

When Marxian economics is considered without prejudice and the questions it asks about production and distribution, the creation of social wealth, or economic categories like capital, wages and profit, the shallow pretensions of academic economics evaporate. Rather than there being "*infinite demands and limited resources*" capitalism is seen for what it is; a social system of organised scarcity. Capitalism in relation to human needs does not produce too much but too little. The reason why there is not enough health provision, food or housing for workers and their families lies in capitalism's priorities, production for profit and the competitive forces which compel nation states to waste resources on preparation for war.

The Socialist case against capitalism is not just the fact of exploitation but the way in which capitalism prevents the forces of production from being used to meet the needs of all society. An economic depression highlights capitalism's deliberate inability to meet human needs. On the one hand, productive labour is made redundant, raw resources are not used, machinery lies idle, goods are stockpiled and foodstuffs destroyed. On the other hand, there are unmet needs and the social problems which a depression unleashes: suicide, unemployment, homelessness, destitution, and racism. And the so-called "*efficiency*" factor of capitalism can be turned on its head by considering the waste that commodity production generates. Competition creates losers, duplication and cheapness. Labour power and resources are wasted in the production of armaments. Competition leads to wars in which workers are killed and means of production destroyed.

Private property ownership denies choice. Workers have no choice but to be wage slaves. They produce all the social wealth but do not decide why it is produced, under what conditions and for whom. The wages system rations workers to what they can and cannot afford to buy despite unfulfilled needs.

The financial and commercial sectors also waste resources in the circulation of commodities while the state bureaucracy likewise wastes resources, being only necessary to protect and administer the capitalist system.

Socialists do not deny that there is a limited supply of resources. Unlike academic economists we draw an important distinction between the technological cause of resource limitation and the restrictions imposed upon production by the need of capitalists to make a profit. Production is dependent upon technology including human skill and ingenuity, and technological advance can increase the capacity of production to produce goods. However, the question of technological production pales into insignificance when we come to consider the barrier imposed by capitalism on what can and cannot be produced because of the anti-social pursuit of profit. Foodstuffs are burnt even though there is starvation in the world, and this is simply accepted, not explained, by academic economists.

One further point should be made. Capitalist economics also assumes that all the agents in the economy are rational individuals. If this is so then it cannot have it both ways. It cannot claim simultaneously that we are reasonable human beings but at the same time would commit societal suicide through irrational greed.

The reality of the world today is that there are limited demands and more than enough resources to meet what human beings need to live worthwhile lives. What prevents production from being used to meet unfulfilled need is not a technical question but a political one. It is capitalism and its anti-social priorities which do not allow all people to live worthwhile lives and to use their potential to the full. It is only within the framework of common ownership and democratic control of the means of production and distribution by all of society that people's needs can be met. Capitalism acts as a barrier to prevent social needs being met. And it is a barrier academic economics defends with its spurious assumptions.

THE FALLACY OF KONDRATIEV WAVES

Academic economists like J Schumpeter and journalists like Lord Rees-Mogg reject the explanation of trade cycles provided by Marx. Instead, they push out a Business Cycle theory which takes its cue from the Russian economist, N D Kondratiev, who worked on crisis theory in the 1920's and fell a victim to Stalin's purges, dying at an unknown date in a Siberian concentration camp.

Kondratiev put forward the theory that economic development takes place through "*long waves*" with an upturn and a downturn spanning about forty to fifty years in duration. During an upswing in the cycle trade is good and depressions rare, while in a downturn, trade is poor and the economy is depressed.

Kondratiev claimed he had found evidential support for his theory which is set out in his paper **The Long Waves in Economic Life, (Readings in Business Cycle Theory**, The Blakiston Company, 1944). However, it is difficult to come to any conclusion about exactly to what the long waves actually refer. Some supporters of the theory believe the waves refer to prices, others to the rate of profit and others to the rate of growth. Kondratiev does not even specify the cause of the waves although his followers believe it to be governments, speculators, the banks, inflation and any other cause which does not focus upon capitalist production and exchange itself. Then there are the waves themselves. How did they start? Did the long waves cause the short waves or vice versa? More importantly, despite Kondratiev claiming that he had evidence, his wave theory does not meet the reality of trade cycles in the later half of this century.

It was the Austrian economist, J A Schumpeter, who rehabilitated Kondratiev for very real political reasons during the 1930's and 1940's (**Capitalism, Socialism and Democracy**, Allen and Unwin, 1942). Schumpeter was alarmed by the intellectual power of Marx's account of the trade cycle. Marx

had located the cause of economic crises and depressions within the process of commodity production itself. Marx showed that once there is generalised commodity production, with labour power bought and sold as a commodity, the only way the anarchy of production for profit can be periodically resolved is through a crisis where the forces of production are temporarily reined back in the interests of profit and capital accumulation.

Marx's conclusion, which was anathema to Schumpeter, was for the working class to free themselves from class exploitation by capital. Workers had to consciously and politically replace the anarchy of capitalist production for profit with planned production and distribution for direct use through the establishment of common ownership.

Schumpeter was also concerned about the claim, first articulated by the theoreticians of the Second International - Boudin, Kautsky, Luxembourg and others - that Marx's account of trade cycles led to a "*collapse theory of capitalism*". This nonsense was taken over by the Leninist controlled Third International whose leaders proclaimed that capitalism had a tendency towards breakdown and collapse, a doctrine still to be found today in various Trotskyist political factions.

Marx had no "*theory of Capitalism's collapse*". For Marx:

The life of modern industry becomes a series of periods of moderate activity, prosperity, over-production, crisis and stagnation.

Capital, Volume I, Chap.XV

The Socialist Party of Great Britain also rejected a collapse theory of capitalism. In 1932 the party published a pamphlet **Why Capitalism Will Not Collapse**. The pamphlet was ridiculed at the time by the British Communist Party and others. However, our argument has proved to be right whereas it has been the State Capitalism of Russia, supported at the time by the Communist Party of Great Britain, that has collapsed.

Schumpeter latched onto Kondratiev's wave theory because it showed capitalism, despite periodic crises and depressions, lasting forever (see Schumpeter's two volume **Business Cycles** written as a response to what he mistakenly understood Marxism to be all about). But Kondratiev's theory brought him into disfavour with Stalin who had him killed.

The Kondratiev Wave theory is now a common dogma among many academic economists. Some economists, much like the "*school boy scribblers in the City*" who analyse price charts in order to ascertain whether prices will rise or fall, study long economic waves in order to predict the next depression. An account of this ridiculous crystal ball gazing is given in Christopher Wood's book **Boom and Bust: The Rise and Fall of the World Financial Markets** (1986, p132-135).

Mr Wood has to admit, though, that there is no verifiable evidence for a Kondratiev cycle. Economists were unable to predict the depression and financial crises in Japan nor the crisis in East Asia, when, up to 1996, the economic growth of these countries were being praised by economists as an economic miracle. And, on the basis of business cycle theory, which economist predicted that there would be 4.4 million unemployed in Germany in 1999? The wave theories produced by supporters of Kondratiev, like D Kirkland and W Kirkland in their book **Power Cycles** (1991), were all refuted by events.

Of course, it is easy to be an economic Cassandra and continually state that there will be a crisis but it is altogether different to give a reasonable and scientific account of why they occur and why they will end. The wave theory is nothing more than economic fatalism and has about as much explanatory power as astrology.

Marx's analysis of the trade cycle is far more convincing because he correctly locates the cause of economic crises in the anarchy of production for exchange and profit.

The enormous power, inherent in the factory system, of expanding by jumps, and the dependence of that system on the markets of the world, necessarily beget feverish production, followed by over-filling of the markets, whereupon contraction of the markets brings on crippling of production ... periodic changes of the trade cycle.

Capital I, Chap. XV, Kerr ed.p494

The Socialist Party of Great Britain has never needed a fatalistic theory like Kondratiev Waves to explain economic crises and depressions. Society need not go on forever stumbling from one depression to the next. However, as the pamphlet **Why Capitalism Will Not Collapse** concluded:

Until a sufficient number of workers are prepared to organise politically for the conscious purpose of ending Capitalism, it (Capitalism) will stagger on indefinitely from one crisis to another.

MARX'S ALLEGED CONTRADICTIONS IN EXPLAINING THE CAUSE OF CRISES

In Volume II of **Capital** (p568) Marx said: "*a crisis could be explained only by a disproportion of production in various branches and by a disproportion of the consumption of the capitalist and the accumulation of their capitals*".

He then went on to say:

"The last cause of real crises always remains the poverty and restricted consumption of the masses compared to the tendency of capitalist production to develop the productive forces in such a way that only the absolute power of consumption of the entire society would be their limit."

People who interpret the second statement as meaning that crises are caused by

"*the poverty and restricted consumption of the masses*" are indeed charging Marx with contradicting himself, for if crises can be explained "*only by disproportion*" there cannot be another explanation as well.

The confusion arises because the word "*cause*" has two different meanings, both of them legitimate.

One meaning of cause is "*the activating cause*" of a particular event.

The other meaning of cause is the existence of conditions in the absence of which the event could not take place.

The activating cause of a crisis is the "*disproportion*" which occurs from time to time.

The necessary condition for a crisis is the existence of "*poverty and restricted consumption*" etc. If it did not exist there could be no crisis.

For an analogy, consider an explosion in a coal mine. The activating cause can be a spark igniting a pocket of explosive gas. The necessary condition is the existence of a pocket of explosive gas.

Note that the "*necessary condition*" (the explosive gas and the "*poverty of restrictive consumption*") can be present for an indefinite period, but without the "*activating cause*" (the spark of the disproportion) the event does not happen.

A good example of the prolonged existence of "*poverty and restricted consumption*", without crisis, is the 26 year "*boom*" that lasted from 1945 to 1970.

Unemployment in the 26 years averaged under 2%. It only exceeded 3% (at

3.1%) in 1947, when hundreds of factories had to close down because the freeze-up prevented coal being moved away from pitheads.

Disproportion failed to cause a crisis because there was a continuous shortage of labour and any workers made redundant by an industry overproducing for its particular market were at once absorbed in other industries. The continuous big demand for British goods was due to Japan and Germany having been knocked out of production for the world market by war damage. When they came back into large-scale production for the world market the long "boom" ended.

In his mature writings Marx never attributed crises to the restricted purchasing power of the workers or the capitalists.

About the capitalists causing crises, Marx specifically recognised that they possess the money to go on buying materials for further production but because they delay using their money to buy materials the result is a crisis (see *Capital*, Vol I, Chapter 111: Section 2).

As regards the workers, Marx argued that a crisis is *"always preceded by a period in which wages rise generally and the working class actually get a larger share of the annual product intended for consumption. From the point of view of the advocates of simple common sense, such a period should rather reverse a crises"*. *Capital*, Vol II, Chapter XX: Section IV

Such an increase in the working class share has actually preceded every crisis since Marx's day.

Poverty and restricted consumption of the working class exist all the time, so if their existence caused crises we would have *"permanent and chronic depression"* as Engels temporarily imagined in his 1886 Preface to *Capital*. The anarchy of commodity production and exchange and disproportionality is the only valid explanation of a cause of a crisis.

TRADE UNIONS AND SAVING JOBS

In addition to their concern with wages and hours of work, all the trade unions have an interest in the number of jobs available to their members.

In this they are confronted with three facts of capitalism. In the first place the total output of each industry is not the maximum that is physically possible but the amount that companies are able to sell at a profit: production is governed by the market. In capitalism's periodic depressions most industries suffer a decline in profits.

Secondly, companies, having to meet competition from home and abroad, try to hold their share of the market by producing more cheaply. This they achieve by labour-saving machinery and other methods designed to secure the same output with fewer workers, that is by increasing the output per worker. One result of this is that, within the labour market, there has been a marked shift away from labouring jobs to office work.

The third factor is that there is no permanence about the size of the different industries. Old ones may decline or disappear with devastating effect on the workers. In recent years the manufacturing industry in Britain has lost over a million workers because, from being a big exporter of manufactured goods, this country is now on balance an importer. The railways, which displaced horse transport and the canals, have themselves been hit by motor and air transport. Coal has been largely displaced by oil, gas and nuclear power.

There is one notable exception to the dependence of output on profitable sales. It is the willingness of all governments, either for political reasons or having wartime needs in mind, to keep some loss-making industries and companies alive with subsidies. For a century governments did this with the loss-making inland telegraph services, and since 1945, British, American and other governments have given big subsidies to agriculture. The current Labour

administration has recently given £200,000 million to BMW to develop the Rover Longbridge plant.

Unions with members in declining industries have long been actively involved in campaigns to induce governments to grant subsidies to their industries. (It was a big issue in coal mining and agriculture in the years after World War I.) And it is not only the unions. Employers' organisations in the various industries have been equally active with their claims - eg those representing the interests of companies supplying equipment to agriculture; companies making equipment for railway electrification, and many more. Often the unions and the employers make joint representations to the government.

In the nature of the situation conflicts arise within the ranks of the employers and between the unions, as for example in the competition between railways and road transport. It goes without saying that capitalists in industries not benefiting directly from subsidies protest vigorously about their profits having to contribute through taxation to finance these subsidies. In recent years there have been similar conflicts in the energy field, as between coal, gas and nuclear power with unions within each respective industry siding with employers, believing subsidies will protect their members' jobs.

Such claims and conflicts relate to attempts by individual unions to induce governments to promote the expansion of one industry at the expense of others, but there have been other policies framed to get joint action by all unions with the aim of increasing the number of jobs for all workers. One such policy is combined action by the unions to raise wages so as to expand total demand and create more jobs. This is arithmetical nonsense; higher wages do not necessarily expand demand.

Marx dealt with this issue effectively over a hundred years ago, pointing to the obvious fact that, other things being equal, raising wages reduces profits. Workers' expenditure goes up but the expenditure of capitalists is

correspondingly reduced, changing the kind of expenditure but not its total amount. The effect is that while the proportion of spending by workers on consumer goods goes up, the proportion spent on capital goods, eg on factory construction, machine tools and raw materials, goes down. Marx ridiculed the idea that pushing up wages would avert or cure a depression and so reduce unemployment.

The idea of the number of jobs being increased by some policy of the government is fallacious for another reason. In capitalism the volume of production and therefore the total number of jobs rests on market conditions, on sales and profitability. It does not depend on some supposed overall deficiency of spending power which has to be made good by increased government expenditure or any other government policy.

The failure of the capitalists to continue to expand investment and production in a depression is not because they could not continue but because many of them choose not to do so. And they choose not to do so because they see no prospect of profit in it. Specifically, it is not because they are all short of cash. Recently, Unilever, finding itself with operating margins in double figures and with profits increased in one year by over 40% (1997-1998), being unable to either reinvest this surplus profitably or use it for take-overs, decided to give this "no use" £5bn to shareholders (Times 24 February 1999).

Given the continuance of capitalism with production for the market and the making of profit, there is nothing unions or governments can do to create more jobs for the workers as a whole. The idea of capitalism without periodic unemployment and depressions is a delusion.

DEBATE WITH THE FREEDOM ASSOCIATION

1. Introduction

The subject of the debate is 'The single European currency is of no concern to the workers'. The Freedom Association will say that workers should oppose membership of the Economic and Monetary Union. The Socialist Party of Great Britain will also be saying that the single European currency is of no benefit to the workers. This does not mean The SPGB and The Freedom Association share the same interests. This could not be further from the truth.

What Socialists say is something completely different. Not only should workers have no concern or interest in the single European currency but they should also have no interest in political organisations like the Freedom Association, who do not want British capitalism to join the Economic and Monetary Union and, instead, want to retain the British currency as it is. There is a third way, and that third way is the one proposed by the Socialist Party of Great Britain; a third way in which the workers' political interests are best served by becoming Socialists and organising with us to replace capitalism with Socialism.

We argue that the economic and social problems that exist in the world today are caused by the class ownership of the means of producing and distributing wealth. We also state that Socialists are internationalists and that Socialism has to be a worldwide social system without nation states. We have no more political interest in the narrow nationalism defended by the Freedom Association than we do in the wider nationalism appearing in the propaganda of those advocating a Federal Europe. If someone is not an internationalist then he or she is not a Socialist.

All these points are set out in the Declaration of Principles of the Socialist Party of Great Britain.

One of the clauses in our **Declaration of Principles** points out that:

... all political parties are but an expression of class interests

And it goes on further to state that:

... the interest of the working class is diametrically opposed to the interest of all sections of the master (or capitalist) class.

This means that for Socialists the Freedom Association has class interests which are "*diametrically*" opposed to those of the working class. The Freedom Association's own class interests are tied up in the struggle between various factions of the ruling class over the question of Economic and Monetary Union and other issues affecting capitalism. These have been set out by Mr Norris McWhirter in the Freedom Association's book **In Defence of Freedom**. Mr McWhirter singles out his organisation's enemies as:

The nationalizers, the neo-Keynesians and the advocates of universal welfare with their cohorts of index-pensioned civil servants.

Much of the propaganda of the Freedom Association is directed against other sections of the capitalist class. This is an important point to remember because it exposes the conflict between different sections of the capitalist class, with their interests represented by organisations like the Freedom Association and the European Movement.

There are a number of issues over which different sections of the capitalist class have varying interests.

It is also implicit in the position of the Socialist Party of Great Britain that Socialism is not state capitalism, that the mere state ownership and control of

transport, industries, and so on, is not Socialism. It has nothing to do with Socialism and will not bring us towards Socialism. The only basis for Socialism is the common ownership of the means of production and distribution and the production of goods and the operation of services, not for the purpose of making a profit, but solely for the purpose of meeting the needs of the world's population.

Therefore we reject the claims of organisations like the Freedom Association that there is a "*Socialist*" trap in the political process of the European Union. We reject the claim that the European Community in Brussels is a "*Socialist bureaucracy*". The recent joint manifesto signed by EC members, including Britain, which will pave the way for a common fiscal policy, common legal system and common taxation, is not a Socialist programme.

2. Who are the Workers?

So, who are the workers referred to in this debate? It is important to recognise that they form a distinct class of wage and salary earners united by common interests whether they are conscious of these interests or not.

The important point to note about the working class is it is they who produce social wealth and in the process of commodity production produce more than they actually receive in wages and salaries. This exploitation is the source of the capitalists' profit.

Now, capitalists who possess the means of existence have the ability to control who gets what, when, how and through what means. In capitalism, the only terms upon which the class of workers are allowed access to the means of living is through the labour market as wage and salary earners. In other words, this class of workers must sell their mental and physical ability, their labour power, in exchange for a wage or salary.

It is vital that we are clear that the distinction which marks off members of the working class from the capitalist class is that workers have no private property to own and control and are, as a consequence, forced to live as wage and salary earners. Workers have to sell their ability to work in order to live. The worker is exploited and leads an unpredictable life. Beside this salient fact, the squabble over what currency the worker receives in his or her pay packet or bank account pales into insignificance. No matter how a worker is paid he or she has an employer. A worker has to obey another person. And workers have to worry about unemployment and the discomfort of unemployment.

Because a worker has to sell his labour power his whole life must be lived within prescribed limits. There is no security of livelihood outside or within the Economic Community. And there is no security whether the wage is paid in either the Pound Sterling or in the Ecu. And there is no security provided by the different currency arrangements, now being bitterly debated over, which will lessen or abolish the fear workers always have of being replaced by someone else or by a piece of machinery.

On the other hand, capitalists, because they are able to deny others access to the means of living, are relieved from the necessity of working. Some capitalists might work but they do so because they want to not because they have to. The conditions of life of the capitalist class are essentially different from those of the workers; a lifestyle of comfort and luxury is among the most obvious ways in which capitalists live, as it were, in another world from the workers.

We are under no illusions about the hard path we have chosen to undertake. We are under no illusions about the current support the majority of workers now give to capitalist political parties and organisations. What interests us is workers becoming Socialists, fully recognising their class interests. And it is around the question of class interests that Socialists argue that workers have no concern in the single European currency.

3. Class Interests

British capitalism is international in its scope with interests in North America and the Asia as well as Europe. However, despite the impression given by the pro-North American press like Conrad Black's **Daily Telegraph** or Rupert Murdoch's **Times**, a lot of British capitalism depends on continued participation in the European Union.

The divisions within the capitalist class is apparent from the political conflict between those who want Britain to form a trans-Atlantic alliance with the USA, Canada and Mexico, those who want a return to a political pact with the old Empire, those who want British capitalism to go it alone as a global power in its own right, and those who want a political union of the European Community as a bloc against the USA and the Asian economies: China, Singapore Malaysia and Japan.

Socialists argue that, no matter what form of political or trading arrangements capitalism takes, it cannot be made to work in the interests of all society. For a century or so social reformers have claimed that they could end unemployment and insecurity, end poverty, and even put an end to wars. Yet social reform has been an utter failure. Billions of workers cannot find work. War rages over the continents of the world. There is still poverty, starvation and death.

To complicate this capitalists squabble still further. There are the investors in British capitalism who see it as a springboard into Europe. Toyota boss, Hiroshi Okuda, for example, said that Japanese car giants' investments into Britain might end if Britain ruled out joining the single currency. Signatories to the recent advertisement in the **Financial Times** (23 November 1998) by over 100 business leaders included the British heads of some of the biggest inward investors in the country, including Bayer, Fiat, Vauxhall and Dresdner Kleinwort Benson.

What of sectional interests within the capitalist class over the European single currency? The fashion designer, K Hamnett, the latest recruit to the anti-single currency camp, revealed just exactly where her class interests lay. As a petty capitalist, Ms Hamnett knows she has a class interest in the Economic and Monetary Union debate and has since joined the Tory party from the Labour party to find political representation for her views. This is what she said:

When people say that the single currency is good for business, they can only mean big business, where corporate culture is supportive of centralised solutions. For small to medium size businesses it is irrelevant. We are used to exchange rate fluctuations.

The above quotation is revealing because it is honest in setting out the conflicts within the capitalist class with such clarity. From Ms Hamnett's sectional class perspective there is big business on the one side and small to medium businesses on the other. The divisions highlighted by this example should alert workers to the great danger that they will be tricked into either backing a boss's Europe or supporting the nationalist and often xenophobic "corporals" in Britain. Avoiding both positions means taking an entirely independent position based on workers' class interests, not those of their employers.

What of working class interests? Workers' interests, economically speaking, are clear cut. They need to press for higher wages and better conditions of work as and when they can. The most useful organisation to pursue these two interests are trade unions. However, workers should not over-estimate the power of trade unions in the class struggle. In depressions their ability to make gains at the expense of employers is less effective. Nor can unions win against the determination of employers and their state to break a strike. Industrial organisation in trade unions and the industrial class struggle is one aspect of class conflict. The other aspect is the political struggle.

The overarching political interest is to establish Socialism. Linked to this political objective is the interest of a Socialist majority being formed within capitalism. Once a Socialist majority exists the political interest is to send Socialist delegates to parliament, capture the machinery of government and replace capitalism with Socialism. These are the political interests of the working class; the only interests in which they should be concerned. As Socialists, we say that the political interest of establishing Socialism should be the concern of the working class, not the issue of a single European currency.

It might be suggested that workers are currently not interested in the Socialist case. Plainly, workers are confused about their class relationship with their employers and have no firm understanding of the social system in which they live. This the Socialist Party of Great Britain admits. Socialists are extremely limited in outlets for propagating the Socialist case and, equally, most workers are so bogged down in the day-to-day struggle to exist, to find work, to retain employment and to earn enough to house, feed and clothe their families that they cannot currently conceive or desire a social arrangement which does not have employers, private property ownership, labour markets and the wages system. This does not mean that Socialism is not a practical alternative to capitalism. Far from it.

We say that ideas and beliefs do not stand still, nor do they come from nowhere. Social systems have come and gone before and capitalism will be no exception. The Socialist Party of Great Britain believes that workers do possess sufficient and rational understanding to act in their class interests. There is no reason to suppose workers cannot grasp the political significance of their class position just as millions throughout the world have grasped its economic significance and joined trade unions.

4. The Class Interests of the Freedom Association

In conclusion, something should be said about the Freedom Association and its membership; those whom it praises and those whom it attacks. This

is important. For it is a warning to workers to understand the class interests which are at work within capitalist organisations and why they should be avoided.

To demonstrate to workers why they should not support the Freedom Association's opposition to Economic and Monetary Union requires Socialists to show that the politics of the Freedom Association flows from sectional interests of the capitalist class; sectional interests which are hostile to workers, trade unions and Socialists.

In trying to gain support from workers, the Freedom Association clings to abstractions like "*freedom*" and hides behind vague and misleading terms like the "*national interest*". In attacking the Socialist Party of Great Britain the Freedom Association is forced to draw on the ideas of anti-Marxist philosophers like Karl Popper, and anti-Socialists like von Mises, von Hayek and Milton Friedman, whose writings attack trade unionists, the unemployed and the interests of the workers, as a class, within the labour market.

The Freedom Association will never admit to the partisan class interests of their organisation, pointing to their fifteen principles set out in their journal **Freedom Today**, two of which assert the freedom of workers to withhold their labour and the freedom to join trade unions. They are mere window-dressing behind which definite capitalist interests operate against social forces to which they are opposed.

It does not matter that the Freedom Association will not admit it is an employers' organisation. Enough evidence will be shown that it is indeed hemmed in by a class perspective distinct and separate from the working class through its principle concerns of minimal taxation, minimal intervention of the state in economic affairs and the existence of an obedient, pliant workforce to exploit.

As for its membership, peers like Viscount De L'Isle and Lord Blake; knights of the realm like Vice Admiral Sir Louis Le Bailly, Conservative MPs like Winston Churchill, Mrs Teresa Gorman; John Bercow and Laurance Robertson and academics like Professor D R Denman, frequent ruling class circles where none will be seen openly defending the freedom of workers to strike. Have these people ever been seen on a picket line? We do not think so!

Some members of the Freedom Association are not so coy about attacking workers. The philosopher, Anthony Flew, writes constantly about the benefits of inequality while another leading member of the Freedom Association, Professor Minford once wrote that a stick should be taken to the unemployed to get them back to work by removing their benefits. The Freedom Association's guru, F A Hayek, believed that the unemployed should have no vote. And as for trade unions, he claimed, in **A Tiger by the tail**, that

they have become the biggest obstacle to raising the living standards of the working class... They are the prime source of unemployment. They are the main reason for the decline of the British economy.

To give Hayek's spurious assertion some semblance of academic respectability Professor Minford, a Council Member of the Freedom Association, in his book **The Causes of Unemployment in the UK** (1985), vainly tried to prove trade unions caused unemployment and wage decreases.

We are not particularly interested in the ruling class ideas the membership of the Freedom Association have produced to attack workers, particularly workers in trade unions, but it is enough to question their ability or interest in courting the workers to support their own particular opposition to the EMU. It is like someone kicking you in the groin and then asking you to help fight his next door neighbour for making too much noise.

Given the Freedom Association's hostility towards workers on benefit, those

workers who have been unemployed - some seven million since the beginning of the 1990's, and trade unions in general, to gain workers' support this organisation will be forced to use the nationalist card.

Nationalism plays an important part in the Freedom Association's propaganda around opposition to the Economic and Monetary Union. In its journal *Freedom Today* (June/July 1998) we read about EMU's threat to *Parliamentary sovereignty* while Christopher Gill, MP writes that EMU is "*a threat to our democracy and British way of life*".

Socialists have always argued that there is a desirability of allowing people freely to preserve whatever way of life suits them and within Socialism there would be no attempt to impose uniformity.

But the nationalist sentiments used by the Freedom Association to gain workers' support for their cause are both a menace and an illusion.

They are a menace because they invariably encourage conflict and bitterness towards other groups and thus provide a fertile ground to split the working class.

And nationalism is an illusion because, while capitalism lasts, the powers, great and small, dare not allow themselves to be weakened by giving real freedom of action to any group of people. Nationalism is a deceptive illusion because, as an ideology, it masks the reality of the international, worldwide class struggle, which knows no frontiers.

Nationalist sentiment is mixed with economic interests and is made use of by the Freedom Association because of what their membership perceive they will lose if Economic and Monetary Union takes place.

The position of the Socialist Party of Great Britain on nationalism is quite

clear. And it is that workers should resist its sentimentality for five reasons. First, workers have no country and workers in France, Britain, the USA, or wherever have the same class interests. Second, they have little private property to protect. Third, they have no ownership and control over the means of production. Fourth, they have no trade routes or markets to defend. And, fifth, they have no strategic points or spheres of influence to maintain.

Nationalism produces prejudice, intolerance and discrimination. This sentiment is exclusive and exaggerates its self-importance for those who cling to atavistic totems such as flag, monarchy, constitution and all the other flotsam and jetsam which float on the cesspit of nationalist rivalry between one national state and another. Workers should remember the symbols of getting drenched in nationalist ideology; pogroms, concentration camps, white crosses for as far as the eye can see over the killing fields of the world; and cemeteries full of dead workers killed for the interests of another class. Nationalism is class divisive and is used with a great deal of success by the pro- and anti-EMU factions to divide our class. The wider nationalism of a Federal Europe is just as insidious and poisonous as the narrow nationalism of the Freedom Association.

5. Conclusion

In conclusion, Socialism should be the objective of workers. They should not give support to those advocating or opposing Economic and Monetary Union. The effort to establish Socialism has to be a conscious political act which requires workers to understand the system in which they are exploited.

Workers must foremost recognise their own class position and class interest. This means having no interest in the trials and tribulations of the national state. It also means accepting that capitalism cannot be run in their interests within a Federal European state or in the national state advocated by the Freedom Association.

Workers must realise that, while they produce all the social wealth, what they receive only enables them to produce and reproduce themselves as a subject class. So long as workers vote for capitalism or give their support to political organisations who have vested interests in the sectional concerns of employers, they will continue to face the threat of unemployment and attacks by bosses on their level of pay and conditions of work.

All these considerations must be tied together to enable workers to focus their attention on the one political interest that confronts them and that is the abolition of capitalism and its replacement with Socialism. And this political interest has to be pursued as a political struggle, as Socialists within a principled and democratic socialist party with one object: the establishment of common ownership and democratic control of the means of production and distribution by all of society.

ENGELS AND THE MATERIALIST CONCEPTION OF HISTORY

London, September 21[-22], 1890

... According to the materialist conception of history, the ultimately determining factor in history is the production and reproduction of real life. Neither Marx nor I have ever asserted more than this. Hence if somebody twists this into saying that the economic factor is the only determining one, he transforms that proposition into a meaningless, abstract, absurd phrase. The economic situation is the basis, but the various elements of the superstructure - political forms of the class struggle and its results, such as constitutions established by the victorious class after a successful battle, etc., juridical forms, and especially the reflections of all these real struggles in the brains of the participants, political, legal, philosophical theories, religious views and their further development into systems of dogmas - also exercise their influence

upon the course of the historical struggles and in many cases determine their form in particular. There is an interaction of all these elements in which, amid all the endless host of accidents (that is, of things and events whose inner interconnection is so remote or so impossible of proof that we can regard it as non-existent and neglect it), the economic movement is finally bound to assert itself. Otherwise the application of the theory to any period of history would be easier than the solution of a simple equation of the first degree.

We make our history ourselves, but, in the first place, under very definite antecedents and conditions. Among these the economic ones are ultimately decisive. But the political ones, etc., and indeed even the traditions which haunt human minds also play a part, although not the decisive one. The Prussian state also arose and developed from historical, ultimately economic, causes. But it could scarcely be maintained without pedantry that among the many small states of North Germany, it was precisely Brandenburg that had to become the great power embodying the economic, linguistic and, after the Reformation, also the religious differences between North and South, because of economic necessity and not also because of other factors (above all its entanglement with Poland, owing to the possession of Prussia, and hence with international political relations - which were indeed also decisive in the formation of the Austrian dynastic power). It is hardly possible, without making oneself ridiculous, to explain in terms of economics the existence of every small state in Germany, past and present, or the origin of the High German consonant shift, which widened the geographic partition formed by the mountain ranges, from the Sudetes to the Taunus, into a regular fissure running across Germany.

In the second place, however, history proceeds in such a way that the final result always arises from conflicts between many individual wills, and every one of them is in turn made into what it is by a host of particular conditions of life. Thus there are innumerable intersecting forces, an infinite series of parallelograms of forces which give rise to one resultant - the historical event.

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This may in its turn again be regarded as the product of a power which operates as a whole unconsciously and without volition. For what each individual wills is obstructed by everyone else, and what emerges is something that no one intended. Thus history has proceeded hitherto in the manner of a natural process and is essentially subject to the same laws of motion. But from the fact that the wills of individuals - each of whom desires what he is impelled to by his physical constitution and external, in the last resort economic, circumstances (either his own personal circumstances or those of society in general) - do not achieve what they want, but are merged into an aggregate mean, a common resultant, it must not be concluded that they are equal to zero. On the contrary, each contributes to the resultant and is to this extent included in it.

I would furthermore ask you to study this theory from its original sources and not at second-hand: it is really much easier. Marx hardly wrote anything in which it did not play a part. But especially *Der 18. Brumaire des Louis Bonaparte* [*The Eighteenth Brumaire of Louis Bonaparte**) is a most excellent example of its application. There are also many allusions to it in *Kapital*.** Perhaps I may also refer you to my writings: *Herrn Eugen Dühring's Umwälzung der Wissenschaft* [*Herr Eugen Dühring's Revolution in Science****] and *Ludwig Feuerbach und der Ausgang der klassischen deutschen Philosophie* [*Ludwig Feuerbach and the End of Classical German Philosophy*****], in which I have given the most detailed account of historical materialism which, as far as I know, exists.

Marx and I are ourselves partly to blame for the fact that the younger people sometimes lay more stress on the economic side than is due to it. We had to emphasize the main principle vis-a-vis our adversaries, who denied it, and we had not always the time, the place or the opportunity to give their due to the other factors involved in the interaction. But when it came to presenting a section of history, that is, to applying the theory in practice, it was a different matter and there no error was permissible. Unfortunately, however, it happens

only too often that people think they have fully understood a new theory and can apply it without more ado as soon as they have assimilated its main principles, and even those not always correctly. And I cannot exempt many of the more recent "Marxists" from this reproach, for the most amazing stuff has been produced in that quarter, too ...

Engels to J Bloch

Marx, Engels, Selected Correspondence, pp394-96

- * See K Marx and F Engels, **Collected Works, Vol II, Moscow, 1979**
- ** See K Marx, **Capital, Vol I, Moscow, 1974**
- *** See F Engels, **Anti-Duhring, Moscow, 1975**
- **** See K Marx and F Engels, **Selected Works in three volumes, Vol 3, Moscow, 1970**

SERBIA: NATIONALISM, REFUGEES AND HUMANITARIAN BOMBING

We had heard of "bombing for peace" (Iraq). Now we have "bombing to protect", with NATO air attacks on Serbia to protect the Kosovar Albanians. The result, so far, is a miserable mass of desperate and destitute refugees.

The United Nations, as a means of preventing war, is as useless as its predecessor, the League of Nations. Capitalist institutions cannot solve the problem of war since wars flow inevitably from a world divided into nations and by class.

Another apparently insoluble problem is that of 'ethnic cleansing'. This is not new. The 1939 Penguin Political Dictionary defined the Ethnographical Principle as:

the principle that all persons of the same race or language should be united in a common state, and political boundaries should be identical with ethnographical ones.

That Political Dictionary also noted an increasing number of refugees due to the "adoption of political and racial persecution as a standard instrument of politics". In Europe alone over 5½ million had become refugees since 1918. But now the number of refugees worldwide has grown hugely, rising recently from 22 million (1980) to 38 million (1995) (**The State of War and Peace Atlas**, 1997, Penguin Reference).

Another parallel with the Thirties: "*The question of the refugees was aggravated by the fact that Germany expelled them in a destitute condition ...*" (**Penguin Political Dictionary**). Just as has happened to the Kosovar Albanians.

Was 'ethnic cleansing' on a vast scale predictable? Robin Cook, Foreign Secretary, said no: "*I don't think anyone - any reasonable person - would have anticipated what Milosevic has done*" (**Channel 4**, 30 March 1999). But NATO spokesman, Jamie Shea, held that "*Milosevic's actions were entirely predictable*" (**BBC World Service**, 29 March 1999), while George Robertson, Defence Secretary, declared: "*We acted as we did because we knew that this was going to happen*" (**BBC Newsnight**, 30 March 1999).

But if this was expected, why was so little done to prepare for this "*entirely predictable*" mass exodus of helpless refugees? Or, if Cook was right and this was unpredictable, how come Robertson, Shea and others claim they expected it? Indeed, in 1997, the **State of War and Peace Atlas** also anticipated this: "*an escalation of conflict in Kosovo would mean refugees flooding into Albania and Macedonia*".

Serb Nationalism in Context

Milosevic's actions in Kosovo were predictable. Years ago, when playing the nationalist card to gain power, he made his intentions clear. In March 1989, when Serbs celebrated the battle of Kosovo (1389), he declared: "*six centuries later, again we are in battles and quarrels. They are not armed battles, though such things should not be excluded yet*" (*The Death of Yugoslavia*, 1995, BBC/Penguin, p77). Earlier, he waxed lyrical about the significance of Kosovo: "*Every nation has a love which eternally warms its heart. For Serbia it is Kosovo. That is why Kosovo will remain in Serbia*" (ibid., p66). And in 1987, he assured the Kosovar Serbs that Kosovo was theirs. "*You should stay here. This is your land*" (ibid, p37).

By 1996, an apartheid system was operating, keeping Serbs and ethnic Albanians apart, "*effectively reinforcing fear and suspicion of each community's aspirations and exacerbating the already deep divisions*" (*Independent*, 8 July 1996).

Recipe for Disaster

What were the ingredients of this recipe for disaster? First, economic crisis. Yugoslavia's worst economic problems were when the annual inflation rate soared to 10,000 per cent. That was in 1989, the year Milosevic fanned the flames of Serb nationalism over Kosovo. Hitler also rose to power at a time of economic crisis.

The second ingredient was an unscrupulous, ambitious politician targeting a racial/ethnic group as a convenient scapegoat. Milosevic and Hitler: two of a kind. Yet again workers have let themselves be incited by specious rhetoric.

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In our 1938 pamphlet, *The Czech Crisis and the Workers*, we answered the argument about making war "to save democracy":

Would that bring Socialism nearer? ... No, the workers everywhere would still be poverty-stricken and insecure, still political cannon-fodder for the first Fascist mob-orator who came along promising to rescue some new national minority from alien tyranny ... Whichever side wins, war leaves the real problem unsolved and, indeed, by creating still more national hatred, it makes its solution more difficult than ever.

A third ingredient, also with its Thirties parallel, is the disgusting sight of 'democratic' politicians strutting on the world stage, posing as protectors of the victimised Kosovar Albanians and pretending that war is a humanitarian mission. Yet for years they followed a policy of appeasement, treating what went on in Kosovo as simply an internal Yugoslav affair.

In short, these upholders of humanitarian principles stand accused of double standards.

Blair tells us that this war is "in Britain's best traditions", that not to do anything was impossible. But Britain did nothing about Kosovo at the time of the Dayton Accord, less than five years ago. As for Britain's "best traditions": what did British governments do about Hungary in the Fifties, Czechoslovakia (1968), China's invasion and occupation of Tibet, the 1989 massacre in Tian-an-Men Square, Turkey's attacks on the Kurds, the flouting of UN resolutions by Israel, and many other issues crying out for "humanitarian" intervention?

Whatever the real reasons of the NATO bombing at vast expense, it is most unlikely to be humanitarian idealism but rather strategic or some other national interest.

Problems and Solutions

Military intervention is supposed to serve the 'national interest'. However, Socialists argue that the so-called 'national interest' is of no concern to the working class. Wars to redraw the map of the capitalist world can never be in our interest. Workers own no raw resources. Have no trade routes or strategic points of influence to protect. The refugees' distress - the crying children, the exhausted elderly, the missing men - this is another indictment of the system we oppose, a system which divides the globe into national states and splits the working class.

The solution is not to be found in moving people from one side of the mountains to the other. The only effect of such 'ethnic cleansing' is to create a legacy of bitter grievances for the next generation to inherit. Ultimately, when the refugees are either returned home, to burnt-out, looted towns and villages, or resettled elsewhere, they will face, like the rest of us, the same class system, with the same old problems for workers - exploitation and insecurity.

Nationalism indicates a lack of class awareness. In the Balkans, as in Britain, the working class is split by cultural, religious and 'ethnic' differences which foster feelings of grievance and resentment, and provide opportunities for ambitious, unscrupulous politicians and would-be 'leaders'.

Milosevic used religion to aid his rise to power. This was not an original strategy, as we noted in a postwar pamphlet:

With the rise of Christianity and, later, the rise of Mohammedanism, religion came to be the commonest cloak for worldly ambition.

SPGB, **The Racial Problem**, 1947

The same conditions which spawn politicians like Milosevic and Tadjman also divide workers.

For the working class, (capitalism) is a society which breeds war and strife

... From the cradle to the grave, they are subjected to a mass of propaganda which ... works on their prejudices ... They are the tools of political leaders and demagogues who make them promises which they do not keep ... They become disillusioned ... fair game for dictators and "strong men" who promise to lead them to a "promised land", but instead lead them into greater disasters and misfortunes. All the time they are experiencing unemployment, poverty, insecurity, competition for jobs, struggles to "rise up the ladder" ... For the working class, capitalism is a society of mental, social, and economic frustration; as such it breeds race-prejudice as a swamp breeds pestilence.

SPGB, *The Racial Problem*, 1947

As politicians increasingly discuss the need to involve ground troops, on a long-term basis, and with the possibility of this war spreading to involve more countries, we recall what we argued before:

It is not dictatorship, democracy, universal peace or pious sentiment that determines who the "enemy" shall be. The "enemy" is simply determined by what serves, or is expected to serve, the interests of capitalists ... The real enemy of the world's workers is always on their doorsteps. It is the capitalist class, both at home and abroad. Not one link in the chain of slavery will be broken by engaging in war on behalf of any group of capitalists, no matter how seductive may be the phrases or the promises they put forward. At the back lurks always the ugly system that elevates profit making above human welfare and human lives.

SPGB, *The Czech Crisis and the Workers*, 1938, preface

Capitalist Competition, Nationalism and War

What is needed is that workers understand how capitalism causes wars, and why war remains an insoluble problem. The basis of such an explanation lies

in competition: competition between companies for profits; between workers for jobs, housing etc; and between national states for trade routes, raw resources and strategic points of influence, each promoting their capitalists' interests against their fellow capitalists.

Also, within each state, there is a struggle for political power, often fought out as a vicious civil war. Each group creates its own group identity, based on history, language and culture, to distinguish it from other, rival, groups.

Such differences can never be of benefit to the working class. We need to unite on the real issue of our shared class interests, against the real enemy, the capitalist system which everywhere divides people into opposing classes, the exploiters and the exploited, with real, material conflicts of economic interests.

It is in our interest to understand how the capitalist system creates dangerous and spurious divisions in the working class. It is only through an understanding of our class identity, and the identity of our shared class interests, that we can unite, as a class, and rid the world of the atrocities of war by overthrowing the cause of war - capitalism.

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